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of the State of California  
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7 Attorneys for Complainant

8 **BEFORE THE**  
**CALIFORNIA BOARD OF ACCOUNTANCY**  
9 **DEPARTMENT OF CONSUMER AFFAIRS**  
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

12 ASHOK SHANTILAL SHAH  
6409 Commodore Sloat Drive  
13 Los Angeles, CA 90048

14 Certified Public Accountant Certificate No. CPA  
70268

15 Respondent.  
16

Case No. AC-2007-13

**DEFAULT DECISION  
AND ORDER**

[Gov. Code, §11520]

17  
18 **FINDINGS OF FACT**

19 1. On or about April 13, 2007, Complainant Carol Sigmann, in her official  
20 capacity as the Executive Officer of the California Board of Accountancy, Department of  
21 Consumer Affairs, filed Accusation No. AC-2007-13 against Ashok Shantilal Shah (Respondent)  
22 before the California Board of Accountancy.

23 2. On or about November 17, 1995, the California Board of Accountancy  
24 (Board) issued Certified Public Accountant Certificate Number CPA 70268 to Ashok Shantilal  
25 Shah. On June 1, 2004, the California Board of Accountancy acknowledged Respondent's  
26 voluntary surrender of Certified Public Accountant Certificate Number CPA 70268.

27 3. On or about April 20, 2007, Rita Cruz, an employee of the Department of  
28 Justice, served by Certified and First Class Mail a copy of the Accusation No. AC-2007-13,

1 Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code  
2 sections 11507.5, 11507.6, and 11507.7 to Respondent's address of record with the Board, which  
3 was and is 6409 Commodore Sloat Drive, Los Angeles, CA 90048. A copy of the Accusation,  
4 the related documents, and Declaration of Service are attached as exhibit A, and are incorporated  
5 herein by reference.

6 4. Service of the Accusation was effective as a matter of law under the  
7 provisions of Government Code section 11505, subdivision (c).

8 5. On or about June 14, 2007, the aforementioned documents were returned  
9 by the U.S. Postal Service marked "Unclaimed." A copy of the envelope returned by the post  
10 office is attached as exhibit B, and is incorporated herein by reference.

11 6. Business and Professions Code section 118 states, in pertinent part:  
12 "(b) The suspension, expiration, or forfeiture by operation of law of a license  
13 issued by a board in the department, or its suspension, forfeiture, or cancellation by order of the  
14 board or by order of a court of law, or its surrender without the written consent of the board, shall  
15 not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the  
16 board of its authority to institute or continue a disciplinary proceeding against the licensee upon  
17 any ground provided by law or to enter an order suspending or revoking the license or otherwise  
18 taking disciplinary action against the license on any such ground."

19 7. Government Code section 11506 states, in pertinent part:  
20 "(c) The respondent shall be entitled to a hearing on the merits if the respondent  
21 files a notice of defense, and the notice shall be deemed a specific denial of all parts of the  
22 accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of  
23 respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing."

24 8. Respondent failed to file a Notice of Defense within 15 days after service  
25 upon him of the Accusation, and therefore waived his right to a hearing on the merits of  
26 Accusation No. AC-2007-13.

27 9. California Government Code section 11520 states, in pertinent part:  
28 "(a) If the respondent either fails to file a notice of defense or to appear at the

1 hearing, the agency may take action based upon the respondent's express admissions or  
2 upon other evidence and affidavits may be used as evidence without any notice to  
3 respondent."

4 10. Pursuant to its authority under Government Code section 11520, the Board  
5 finds Respondent is in default: The Board will take action without further hearing and, based on  
6 Respondent's express admissions by way of default and the evidence before it, contained in  
7 exhibits A, B and C, finds that the allegations in Accusation No. AC-2007-13 are true.

8 11. The total costs for investigation and enforcement are \$4,170.93 as of June  
9 19, 2007.

10 DETERMINATION OF ISSUES

11 1. Based on the foregoing findings of fact, Respondent Ashok Shantilal Shah  
12 has subjected his Certified Public Accountant Certificate No. CPA 70268 to discipline.

13 2. A copy of the Accusation and the related documents and Declaration of  
14 Service are attached.

15 3. The agency has jurisdiction to adjudicate this case by default.

16 4. The California Board of Accountancy is authorized to revoke Respondent's  
17 Certified Public Accountant Certificate based upon the violations alleged in the Accusation.  
18 Respondent is subject to disciplinary action under Business and Professions Code sections 5100,  
19 subdivision (a), and 5106 (Conviction of a Substantially Related Crime). The circumstances are  
20 as follows:

21 a. On or about February 18, 2005, Respondent was found guilty after  
22 a plea of not guilty for violating Title 18, United States Code, sections 371 (Conspiracy to  
23 Commit Bank Fraud, Mail Fraud and Wire Fraud) and 1956(h) (Conspiracy to Commit Money  
24 Laundering), in the criminal proceeding entitled *United States of America v. Rastogi, et al*,  
25 United States District Court for the Southern District of New York Case No. 02-cr-673 (RMB).

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b. The circumstances surrounding the conviction are that from on or about 1998 until 2002, Respondent participated in a sophisticated international scheme to defraud banks worldwide of millions of dollars, and to launder the fraudulently obtained money, in connection with sham transactions.

## ORDER

IT IS SO ORDERED that Certified Public Accountant Certificate No. CPA 70268, heretofore issued to Respondent Ashok Shantilal Shah, is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on August 30, 2007.

It is so ORDERED      July 31, 2007

FOR THE CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS

60226163.wpd  
DOJ docket number:LA2006601903

Attachments:

- Exhibit A: Accusation No. AC-2007-13, Related Documents, and Declaration of Service  
Exhibit B: Copy of Envelope Returned by Post Office  
Exhibit C: Certification of Costs: Declaration of Nicholas A. Sanchez

Exhibit A

Accusation No. AC-2007-13,  
Related Documents and Declaration of Service

1 EDMUND G. BROWN JR., Attorney General  
of the State of California  
2 MARC D. GREENBAUM  
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11 In the Matter of the Accusation Against:

Case No. AC-2007-13

12 ASHOK SHANTILAL SHAH  
6409 Commodore Sloat Drive  
13 Los Angeles, CA 90048

**A C C U S A T I O N**

14 Certified Public Accountant Certificate No. CPA  
70268

15 Respondent.  
16

17 Complainant alleges:

18 **PARTIES**

19 1. Carol Sigmann (Complainant) brings this Accusation solely in her official  
20 capacity as the Executive Officer of the California Board of Accountancy, Department of  
21 Consumer Affairs.

22 2. On or about November 17, 1995, the California Board of Accountancy  
23 issued Certified Public Accountant Number CPA 70268 to Ashok Shantilal Shah (Respondent).  
24 On June 1, 2004, the California Board of Accountancy acknowledged Respondent's voluntary  
25 surrender of Certified Public Accountant Certificate Number CPA 70268.

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JURISDICTION.

3. This Accusation is brought before the California Board of Accountancy (Board), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 118, subdivision (b), of the Code provides that the surrender of a license shall not deprive the Board of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.

5. Section 490 of the Code states:

"A board may suspend or revoke a license on the ground that the licensee has been convicted of a crime, if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which a board is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code."

6. Section 493 of the Code states:

"Notwithstanding any other provision of law, in a proceeding conducted by a board within the department pursuant to law to deny an application for a license or to suspend or revoke a license or otherwise take disciplinary action against a person who holds a license, upon the ground that the applicant or the licensee has been convicted of a crime substantially related to the qualifications, functions, and duties of the licensee in question, the record of conviction of the crime shall be conclusive evidence of the fact that the conviction occurred, but only of that fact, and the board may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline or to determine if the conviction is substantially related to the qualifications, functions, and duties of the licensee in question.

/ / /

1 "As used in this section, 'license' includes 'certificate,' 'permit,' 'authority,' and  
2 'registration.'"

3 7. Section 5100 states:

4 "After notice and hearing the board may revoke, suspend, or refuse to renew any  
5 permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5  
6 (commencing with Section 5080), or may censure the holder of that permit or certificate for  
7 unprofessional conduct that includes, but is not limited to, one or any combination of the  
8 following causes:

9 "(a) Conviction of any crime substantially related to the qualifications, functions  
10 and duties of a certified public accountant or a public accountant."

11 ...

12 8. Section 5106 states:

13 "A plea or verdict of guilty or a conviction following a plea of nolo contendere is  
14 deemed to be a conviction within the meaning of this article. The record of the conviction shall  
15 be conclusive evidence thereof. The board may order the certificate or permit suspended or  
16 revoked, or may decline to issue a certificate or permit, when the time for appeal has elapsed, or  
17 the judgment of conviction has been affirmed on appeal or when an order granting probation is  
18 made, suspending the imposition of sentence, irrespective of a subsequent order under the  
19 provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of  
20 guilty and to enter a plea of not guilty, or setting aside the verdict of guilty or dismissing the  
21 accusation, information or indictment."

22 9. Section 5107(a) of the Code states:

23 "The executive officer of the board may request the administrative law judge, as  
24 part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or  
25 certificate found to have committed a violation or violations of this chapter to pay to the board all  
26 reasonable costs of investigation and prosecution of the case, including, but not limited to,  
27 attorneys' fees. The board shall not recover costs incurred at the administrative hearing."

28 / / /



1 CAUSE FOR DISCIPLINE

2 (Conviction of a Substantially Related Crime)

3 10. Respondent has subjected his license to disciplinary action under sections  
4 5100, subdivision (a), and 5106 of the Code, in that Respondent was convicted of a crime which  
5 is substantially related to the qualifications, functions and duties of a certified public accountant  
6 or a public accountant, as follows:

7 a. On or about February 18, 2005, Respondent was found guilty after a plea of  
8 not guilty for violating Title 18, United States Code, sections 371 (Conspiracy to Commit Bank  
9 Fraud, Mail Fraud and Wire Fraud) and 1956(h) (Conspiracy to Commit Money Laundering), in  
10 the criminal proceeding entitled *United States of America v. Rastogi, et al*, United States District  
11 Court for the Southern District of New York Case No. 02-cr-673 (RMB).

12 b. The circumstances surrounding the conviction are that from on or about  
13 1998 until 2002, Respondent participated in a sophisticated international scheme to defraud  
14 banks worldwide of millions of dollars, and to launder the fraudulently obtained money, in  
15 connection with sham transactions.

16 PRAYER

17 WHEREFORE, Complainant requests that a hearing be held on the matters herein  
18 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

19 A. Revoking or suspending or otherwise imposing discipline upon Certified  
20 Public Accountant Certificate Number CPA 70268, issued to Ashok Shantilal Shah.

21 B. Ordering Ashok Shantilal Shah to pay the California Board of  
22 Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to  
23 Business and Professions Code section 5107;

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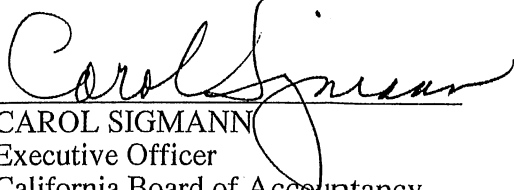
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C. Taking such other and further action as deemed necessary and proper.

DATED: April 13, 2007

  
CAROL SIGMANN  
Executive Officer  
California Board of Accountancy  
Department of Consumer Affairs  
State of California  
Complainant

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